



Supplemental Financial Information

March 1, 2023

Disclaimer

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements within the meaning of federal securities laws, including, among others, any statements about our expectations, plans, intentions, strategies or prospects. We generally use the words “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “assumes,” “guides,” “targets,” “forecasts,” “sees,” “seeks,” “should,” “could,” “would,” “predicts,” “potential,” “strategy,” “future,” “opportunity,” “work toward,” “intends,” “guidance,” “confidence,” “positioned,” “design,” “strive,” “continue,” “track,” “look forward to,” and similar expressions to identify forward-looking statements. All statements other than statements of historical or current fact are, or may be deemed to be, forward-looking statements. Such statements are based upon the current beliefs, expectations and assumptions of management and are subject to significant risks, uncertainties and changes in circumstances that could cause actual outcomes and results to differ materially from the forward-looking statements. These risks, uncertainties and changes in circumstances include, but are not limited to: the effects of the COVID-19 global pandemic and other adverse public health developments on the global economy, our business and operations and the business and operations of our suppliers and customers, including the deferral of elective procedures and our ability to collect accounts receivable; dependence on new product development, technological advances and innovation; shifts in the product category or regional sales mix of our products and services; supply and prices of raw materials and products; pricing pressures from competitors, customers, dental practices and insurance providers; changes in customer demand for our products and services caused by demographic changes or other factors; challenges relating to changes in and compliance with governmental laws and regulations affecting our U.S. and international businesses, including regulations of the U.S. Food and Drug Administration and foreign government regulators, such as more stringent requirements for regulatory clearance of products; competition; the impact of healthcare reform measures; reductions in reimbursement levels by third-party payors; cost containment efforts sponsored by government agencies, legislative bodies, the private sector and healthcare group purchasing organizations, including the volume-based procurement process in China; control of costs and expenses; dependence on a limited number of suppliers for key raw materials and outsourced activities; the ability to obtain and maintain adequate intellectual property protection; breaches or failures of our information technology systems or products, including by cyberattack, unauthorized access or theft; the ability to retain the independent agents and distributors who market our products; our ability to attract, retain and develop the highly skilled employees we need to support our business; the effect of mergers and acquisitions on our relationships with customers, suppliers and lenders and on our operating results and businesses generally; a determination by the Internal Revenue Service that the distribution or certain related transactions should be treated as taxable transactions; financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the impact of the separation on our businesses and the risk that the separation and the results thereof may be more difficult, time-consuming and/or costly than expected, which could impact our relationships with customers, suppliers, employees and other business counterparties; restrictions on activities following the distribution in order to preserve the tax-free treatment of the distribution; the ability to form and implement alliances; changes in tax obligations arising from tax reform measures, including EU rules on state aid, or examinations by tax authorities; product liability, intellectual property and commercial litigation losses; changes in general industry and market conditions, including domestic and international growth rates; changes in general domestic and international economic conditions, including inflation and interest rate and currency exchange rate fluctuations; and the impact of the ongoing financial and political uncertainty on countries in the Euro zone on the ability to collect accounts receivable in affected countries. You are cautioned not to rely on these forward-looking statements, since there can be no assurance that these forward-looking statements will prove to be accurate. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This presentation contains financial measures which have not been calculated in accordance with United States generally accepted accounting principles (“GAAP”), because they are a basis upon which our management assesses our performance. Although we believe these measures may be useful for investors for the same reason, these financial measures should not be considered as an alternative to GAAP financial measures as a measure of our financial condition, performance or liquidity. In addition, these financial measures may not be comparable to similar measures used by other companies. In the **Appendix** to this presentation, we provide further descriptions of these non-GAAP measures and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures.

4Q 2022 Results

**Third Party Net
Sales: \$228.2M**

**\$115.8M in Dental Third Party Net Sales
\$112.3M in Spine Third Party Net Sales**

**Adjusted EBITDA^[1]:
\$28.1M**

**12.3%
Adjusted EBITDA Margin^[1]**

**Adjusted Net Income^[1]:
\$4.3M**

**\$0.16
Adjusted Diluted EPS^[1]**

^[1]This is a Non-GAAP financial measure. Refer to the reconciliation in the Appendix for further information.

FY 2022 Results

**Third Party Net
Sales: \$909.5M**

**\$459.7M in Dental Third Party Net Sales
\$449.8M in Spine Third Party Net Sales**

**Adjusted EBITDA^[1]:
\$122.5M**

**13.5%
Adjusted EBITDA Margin^[1]**

**Adjusted Net Income^[1]:
\$47.9M**

**\$1.84
Adjusted Diluted EPS^[1]**

^[1]This is a Non-GAAP financial measure. Refer to the reconciliation in the Appendix for further information.

2023 Full-Year Financial Guidance

| Line Item | 2023 Guidance |
|--|------------------|
| Net Sales* | \$825M - \$850M |
| Gross Margin ^[1] | Mid-to-High 60%s |
| Adjusted EBITDA Margin ^[1] | 13.5% - 14.0% |
| Interest Expense | \$37M - \$39M |
| Stock-Based Compensation | \$21M - \$23M |
| Adjusted Effective Tax Rate ^[1] | 24.0% - 28.0% |
| Fully Diluted Shares Outstanding | 28.6M |
| Adjusted EPS ^{[1][2]} | \$0.30 - \$0.50 |
| Capital Expenditures | ~\$25M |
| Instruments as % of Net Sales | ~1.0% |
| Other Capital Expenditures as % of Net Sales | ~2.0% |

*Assumes year-over-year Dental Net Sales growth of flat to low-single-digits, and year-over year Spine Net Sales declines in the teens

[1] This is a forward-looking non-GAAP financial measure. See "Forward-Looking Non-GAAP Financial Measures" in the Appendix for further information.

[2] Projected adjusted net income divided by 28.6 million diluted shares outstanding.

Appendix

 ZimVie



Note on Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures that differ from financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures may not be comparable to similar measures reported by other companies and should be considered in addition to, and not as a substitute for, or superior to, other measures prepared in accordance with GAAP.

Adjusted EBITDA is a non-GAAP financial measure provided in this presentation for certain periods, and is calculated by excluding certain items from net income (loss) on a GAAP basis, as detailed in the reconciliations presented later in this Appendix. Adjusted EBITDA margin is Adjusted EBITDA divided by third party net sales for the applicable period.

Sales information in this presentation is presented on a GAAP (reported) basis and on a constant currency basis. Constant currency percentage changes exclude the effects of foreign currency exchange rates. They are calculated by translating current and prior-period sales at the same predetermined exchange rate. The translated results are then used to determine year-over-year percentage increases or decreases.

Net income (loss) and diluted earnings (loss) per share in this presentation are presented on a GAAP (reported) basis and on an adjusted basis. Adjusted net income (loss) and adjusted diluted earnings per share exclude the effects of certain items, which are detailed in the reconciliations presented later in this Appendix.

Adjusted third party net sales of the Spine segment is calculated by adjusting third party net sales of the Spine segment for the effects of certain items, which are detailed in the reconciliations presented later in this Appendix.

Adjusted gross profit is calculated by adjusting third party net sales for the effects of certain items, which are detailed in the reconciliations presented later in this Appendix. Adjusted gross margin is calculated as adjusted gross profit divided by third party net sales.

Adjusted research and development (R&D) expense is calculated by adjusting R&D expense for the effects of certain items, which are detailed in the reconciliations presented later in this Appendix. Adjusted selling, general and administration (SG&A) expense is calculated by adjusting SG&A expense for the effects of certain items, which are detailed in the reconciliations presented later in this Appendix.

Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures are included in this Appendix.

Management uses non-GAAP financial measures internally to evaluate the performance of the business. Additionally, management believes these non-GAAP measures provide meaningful incremental information to investors to consider when evaluating the performance of the company. Management believes these measures offer the ability to make period-to-period comparisons that are not impacted by certain items that can cause dramatic changes in reported income but that do not impact the fundamentals of our operations. The non-GAAP measures enable the evaluation of operating results and trend analysis by allowing a reader to better identify operating trends that may otherwise be masked or distorted by these types of items that are excluded from the non-GAAP measures.

Forward-Looking Non-GAAP Financial Measures

This presentation also includes certain forward-looking non-GAAP financial measures for the year ending December 31, 2023. We calculate forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. We have not provided quantitative reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures because the excluded items are not available on a prospective basis without unreasonable efforts. For example, the timing of certain transactions is difficult to predict because management’s plans may change. In addition, the company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. It is probable that these forward-looking non-GAAP financial measures may be materially different from the corresponding GAAP financial measures.

NET SALES BY REGION AND SEGMENT

(in thousands)

| | For the Three Months Ended December 31, | | | | |
|------------------------------------|--|---------------------|---------------|-------------------------|----------------------------|
| | 2022 | 2021 | Change (%) | Foreign Exchange Impact | Constant Currency % Change |
| United States | \$ 67,535 | \$ 69,496 | -2.8% | - | -2.8% |
| International | 48,308 | 55,911 | -13.6% | -10.7% | -2.9% |
| Total Dental Net Sales | 115,843 | 125,407 | -7.6% | -4.7% | -2.9% |
| United States | 90,853 | 101,200 | -10.2% | - | -10.2% |
| International | 21,468 | 33,989 | -36.8% | -8.3% | -28.5% |
| Total Spine Net Sales | 112,321 | 135,189 | -16.9% | -2.1% | -14.8% |
| Total Third Party Net Sales | 228,164 | 260,596 | -12.4% | -3.3% | -9.1% |
| Related Party Net Sales | 956 | 977 | -2.1% | - | - |
| Total Net Sales | \$ 229,120 | \$ 261,573 | -12.4% | -3.4% | -9.0% |
| | For the Twelve Months Ended December 31, | | | | |
| | 2022 | 2021 | Change (%) | Foreign Exchange Impact | Constant Currency % Change |
| United States | \$ 272,726 | \$ 267,689 | 1.9% | - | 1.9% |
| International | 186,955 | 200,793 | -6.9% | -10.4% | 3.5% |
| Total Dental Net Sales | 459,681 | 468,482 | -1.9% | -4.5% | 2.6% |
| United States | 357,416 | 407,883 | -12.4% | - | -12.4% |
| International | 92,390 | 132,465 | -30.3% | -7.6% | -22.7% |
| Total Spine Net Sales | 449,806 | 540,348 | -16.8% | -1.9% | -14.9% |
| Total Third Party Net Sales | 909,487 | 1,008,830 | -9.8% | -3.0% | -6.8% |
| Related Party Net Sales | 4,375 | 5,819 | -24.8% | - | - |
| Total Net Sales | \$ 913,862 | \$ 1,014,649 | -9.9% | -3.2% | -6.7% |

RECONCILIATION OF ADJUSTED EBITDA

(in thousands)

| | For the Three Months Ended December 31, | | For the Twelve Months Ended December 31, | |
|--|---|-------------------|--|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net Sales | | | | |
| Third party, net | \$ 228,164 | \$ 260,596 | \$ 909,487 | \$ 1,008,830 |
| Related party, net | 956 | 977 | 4,375 | 5,819 |
| Total Net Sales | \$ 229,120 | \$ 261,573 | \$ 913,862 | \$ 1,014,649 |
| Net Income (Loss) | (30,344) | (60,691) | (63,881) | (95,254) |
| Interest expense, net | 6,432 | (16) | 18,279 | 292 |
| Income tax benefit | 2,127 | (4,702) | (46,038) | (6,003) |
| Depreciation and amortization | 30,320 | 33,992 | 122,374 | 129,659 |
| EBITDA | 8,535 | (31,417) | 30,734 | 28,694 |
| Share-based compensation | 5,307 | 2,273 | 31,224 | 11,079 |
| Restructuring ^[1] | 4,868 | 1,053 | 11,354 | 3,344 |
| Acquisition, integration, divestiture and related ^[2] | 3,982 | 12,053 | 29,437 | 24,064 |
| Related party income | (26) | (125) | (268) | (1,254) |
| European medical device regulation ^[3] | 3,510 | 3,092 | 10,064 | 5,627 |
| Pre vs. post-spin cost structure differences ^[4] | — | 3,027 | 5,271 | 7,439 |
| One-time carve-out allocations and other one-time costs ^[5] | 1,875 | 40,159 | 4,726 | 52,656 |
| Adjusted EBITDA | \$ 28,051 | \$ 30,115 | \$ 122,542 | \$ 131,649 |
| <i>Net Income (Loss) Margin</i> ^[6] | <i>-13.3%</i> | <i>-23.3%</i> | <i>-7.0%</i> | <i>-9.4%</i> |
| <i>Adjusted EBITDA Margin</i> ^[7] | <i>12.3%</i> | <i>11.6%</i> | <i>13.5%</i> | <i>13.0%</i> |

[1] In June 2022 and November 2022, we instituted restructuring plans and the expenses incurred in the three and twelve months ended December 31, 2022 under these plans were primarily related to employee termination benefits and the exit of our spine products operations in China as a result of an unsuccessful volume-based procurement program bid. Zimmer Biomet instituted restructuring plans in the fourth quarters of 2019 and 2021, and the restructuring costs we incurred under those plans were primarily related to employee termination benefits, contract terminations and retention period compensation and benefits.

[2] Acquisition, integration, divestiture, and related costs are limited to a specific period of time and related to ZimVie being established as a standalone public company.

[3] Expenses incurred for initial compliance with the EU MDR for previously-approved products.

[4] Reflects certain items captured in the GAAP carve-out financial statements that have not continued post-spin, including, but not limited to, facilities that did not convey with ZimVie in the spin, redundant personnel costs incurred as a result of the spin, and the difference between the pre-spin allocations of Zimmer Biomet's corporate costs in accordance with GAAP, versus the expected post-spin corporate costs for ZimVie.

[5] One-time expenses captured through allocations made for purposes of the GAAP carve-out financial statement results. The adjustments to cost of products sold in Q4 2021 were one-time charges due to the spine brand rationalization project. The adjustments to cost of products sold in Q4 2022 were related to non-cash asset write offs from the exit of our Spine products operations in China as a result of an unsuccessful VBP bid.

[6] Net Income (Loss) Margin is calculated as Net Income (Loss) divided by third-party net sales for the applicable period

[7] Adjusted EBITDA Margin is Adjusted EBITDA divided by third party net sales for the applicable period.

RECONCILIATION OF ADJUSTED GROSS PROFIT AND MARGIN

(in thousands)

RECONCILIATION OF GROSS PROFIT AND MARGIN TO ADJUSTED GROSS PROFIT AND MARGIN

| | For the Three Months Ended December 31, | | For the Twelve Months Ended December 31, | |
|--|---|------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Third party sales, net | \$ 228,164 | \$ 260,596 | \$ 909,487 | \$ 1,008,830 |
| Cost of products sold, excluding intangible asset amortization | (73,347) | (125,172) | (296,679) | (381,569) |
| Third party gross profit | \$ 154,817 | \$ 135,424 | \$ 612,808 | \$ 627,261 |
| One-time carve-out allocations and other one-time costs ^[1] | 1,875 | 31,794 | (164) | 37,356 |
| One-time share-based compensation expense ^[2] | — | — | 1,664 | — |
| Adjusted gross profit | \$ 156,692 | \$ 167,218 | \$ 614,308 | \$ 664,617 |
| Third party gross margin | 67.9% | 52.0% | 67.4% | 62.2% |
| One-time carve-out allocations and other one-time costs ^[1] | 0.8% | 12.2% | 0.0% | 3.7% |
| One-time share-based compensation expense ^[2] | — | — | 0.2% | — |
| Adjusted gross margin | 68.7% | 64.2% | 67.5% | 65.9% |

[1] One-time expenses captured through allocations made for purposes of the GAAP carve-out financial statement results.

[2] One-time share-based compensation expense due to replacement awards provided in connection with the separation from Zimmer Biomet.

ZimVie

RECONCILIATION OF ADJUSTED R&D AND SG&A

(in thousands)

RECONCILIATION OF ADJUSTED RESEARCH AND DEVELOPMENT

| | For the Three Months Ended December 31, | | Percentage of Third Party Net Sales | | For the Twelve Months Ended December 31, | | Percentage of Third Party Net Sales | |
|--|---|-------------|-------------------------------------|-------|--|-------------|-------------------------------------|-------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Research and development | \$ (15,254) | \$ (17,399) | -6.7% | -6.7% | \$ (62,691) | \$ (61,328) | -6.9% | -6.1% |
| European medical device regulation ^[1] | \$ 3,510 | \$ 3,092 | 1.5% | 1.2% | \$ 10,064 | \$ 5,627 | 1.1% | 0.6% |
| One-time share-based compensation expense ^[2] | 100 | — | 0.0% | — | 2,194 | — | 0.2% | — |
| Adjusted research and development | \$ (11,644) | \$ (14,307) | -5.1% | -5.5% | \$ (50,433) | \$ (55,701) | -5.5% | -5.5% |

RECONCILIATION OF ADJUSTED SG&A

| | For the Three Months Ended December 31, | | Percentage of Third Party Net Sales | | For the Twelve Months Ended December 31, | | Percentage of Third Party Net Sales | |
|--|---|--------------|-------------------------------------|--------|--|--------------|-------------------------------------|--------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Selling, general and administrative | \$ (134,461) | \$ (149,312) | -58.9% | -57.3% | \$ (523,970) | \$ (554,377) | -57.6% | -55.0% |
| Pre vs. post-spin cost structure differences ^[3] | — | 3,027 | — | 1.2% | 5,271 | 7,439 | 0.6% | 0.7% |
| One-time carve-out allocations and other one-time costs ^[4] | — | 8,365 | — | 3.2% | 4,890 | 15,300 | 0.5% | 1.5% |
| Related Party Income | — | 110 | — | 0.0% | — | 317 | — | 0.0% |
| One-time share-based compensation expense ^[2] | 900 | — | 0.4% | — | 10,787 | — | 1.2% | — |
| Adjusted selling, general and administrative | \$ (133,561) | \$ (137,810) | -58.5% | -52.9% | \$ (503,022) | \$ (531,321) | -55.3% | -52.7% |

[1] Expenses incurred for initial compliance with the EU MDR for previously-approved products.

[2] One-time-share-based compensation expense due to replacement awards provided in connection with the separation from Zimmer Biomet.

[3] Reflects certain items captured in the GAAP carve-out financial statements that will not continue post-spin, including, but not limited to, facilities that did not convey with ZimVie in the spin, redundant personnel costs incurred as a result of the spin, and the difference between the pre-spin allocations of Zimmer Biomet's corporate costs in accordance with GAAP, versus the expected post-spin corporate costs for ZimVie.

[4] One-time expenses captured through allocations made for purposes of the GAAP carve-out financial statement results.

RECONCILIATION OF SPINE ADJUSTED NET SALES

(in thousands)

RECONCILIATION OF SPINE ADJUSTED NET SALES

| | For the Three Months Ended December 31, | | Reported | Constant Currency |
|--|---|-------------------|--------------|-------------------|
| | 2022 | 2021 | Change (%) | Change (%) |
| Spine third party net sales | \$ 112,321 | \$ 135,189 | -16.9% | -14.8% |
| Exited markets and discontinued products ^[1] | 4,401 | — | 3.3% | 3.3% |
| Distributor bulk orders / China Inventory Buyback ^[2] | 3,955 | — | 2.9% | 2.9% |
| Selling Day Impact ^[3] | 1,888 | — | 1.4% | 1.4% |
| China volume-based procurement ^[4] | 1,400 | — | 1.0% | 1.0% |
| Operational disruption resulting from an ERP implementation | 7,000 | — | 5.2% | 5.2% |
| Adjusted spine third party net sales | \$ 130,965 | \$ 135,189 | -3.1% | -1.0% |

[1] Represents certain markets that were exited, and products that were discontinued, at the end of 2021.

[2] Represents distributor bulk orders in 2021 that did not recur in 2022 as well as a buyback of inventory in China that Management considers an unusual event impacting comparability of 2022 sales.

[3] Represents the impact to spine third party net sales for having one less selling day in Q4-22.

[4] Represents the exit of our spine products operations in China as a result of an unsuccessful volume-based procurement program bid.

QUARTERLY RECONCILIATION OF SPINE ADJUSTED NET SALES

(in millions)

RECONCILIATION OF SPINE ADJUSTED NET SALES

| | | | | | <i>Reported Change %</i> | | | |
|--|-----------------|-----------------|-----------------|-----------------|--------------------------|-------------|--------------|--------------|
| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
| Spine third party net sales | \$ 132.6 | \$ 143.3 | \$ 129.3 | \$ 135.2 | - | 8.1% | -9.8% | 4.6% |
| Exited markets and discontinued products ^[1] | (1.8) | (5.0) | (4.4) | (4.4) | - | 177.8% | -12.4% | 0.4% |
| Distributor bulk orders / China Inventory Buyback ^[2] | (2.3) | (1.6) | (2.2) | (4.0) | - | -30.4% | 37.5% | 81.8% |
| Selling Day Impact ^[3] | (1.8) | 1.4 | — | (1.9) | - | -177.8% | -100.0% | - |
| Net Economic Benefit ^[4] | — | (3.9) | (1.3) | — | - | - | -66.7% | -100.0% |
| China volume-based procurement ^[5] | — | — | — | (1.4) | - | - | - | - |
| Operational disruption resulting from an ERP | — | — | — | (7.0) | - | - | - | - |
| Adjusted spine third party net sales | \$ 126.7 | \$ 134.2 | \$ 121.4 | \$ 116.5 | - | 5.9% | -9.5% | -4.1% |

[1] Represents certain markets that were exited, and products that were discontinued, at the end of 2021.

[2] Represents distributor bulk orders in 2021 that did not recur in 2022 as well as a buyback of inventory in China that Management considers an unusual event impacting comparability of 2022 sales.

[3] Represents the impact to spine third party net sales for having one less selling day in Q1-22, one extra selling day in Q2-22, and one less selling day in Q4-22.

[4] Represents the impact to spine third party net sales retained by Zimmer Biomet until we completed our separation activities in certain markets.

[5] Represents the exit of our spine products operations in China as a result of an unsuccessful volume-based procurement program bid.

RECONCILIATION OF ADJUSTED NET INCOME (LOSS) AND ADJUSTED EPS

For the Three Months Ended December 31, 2022

(in thousands, except per share data)

| | Net Sales | Cost of products sold, excluding intangible asset amortization | Operating expenses, excluding cost of products sold | Operating Income (Loss) | Net Income (Loss) | Diluted EPS |
|--|------------|--|---|-------------------------|-------------------|-------------|
| Reported | \$ 229,120 | \$ (74,277) | \$ (179,254) | \$ (24,411) | \$ (30,344) | \$ (1.16) |
| Pre vs. post-spin cost structure differences ^[1] | - | - | - | - | - | \$ - |
| Restructuring ^[2] | - | - | 4,868 | 4,868 | 4,868 | \$ 0.19 |
| Acquisition, integration, divestiture and related ^[3] | - | - | 3,982 | 3,982 | 3,982 | \$ 0.15 |
| European medical device regulation ^[4] | - | - | 3,510 | 3,510 | 3,510 | \$ 0.13 |
| One-time carve-out allocations and other one-time costs ^[5] | - | 1,875 | - | 1,875 | 1,875 | \$ 0.07 |
| Intangible asset amortization | - | - | 20,689 | 20,689 | 20,689 | \$ 0.79 |
| Related party | (956) | 930 | - | (26) | (26) | \$ - |
| One-time share-based compensation expense ^[6] | - | - | 1,000 | 1,000 | 1,000 | \$ 0.04 |
| Tax effect of above adjustments | - | - | - | - | (1,287) | \$ (0.05) |
| Favorable Puerto Rico tax ruling ^[7] | - | - | - | - | - | \$ - |
| Adjusted | \$ 228,164 | \$ (71,472) | \$ (145,205) | \$ 11,487 | \$ 4,267 | \$ 0.16 |

For the Three Months Ended December 31, 2021

| | Net Sales | Cost of products sold, excluding intangible asset amortization | Operating expenses, excluding cost of products sold | Operating Income (Loss) | Net Income (Loss) | Diluted EPS |
|--|------------|--|---|-------------------------|-------------------|-------------|
| Reported | \$ 261,573 | \$ (125,914) | \$ (200,995) | \$ (65,336) | \$ (60,691) | \$ (2.33) |
| Pre vs. post-spin cost structure differences ^[1] | - | - | 3,027 | 3,027 | 3,027 | \$ 0.12 |
| Restructuring ^[2] | - | - | 1,053 | 1,053 | 1,053 | \$ 0.04 |
| Acquisition, integration, divestiture and related ^[3] | - | - | 12,053 | 12,053 | 12,053 | \$ 0.46 |
| European medical device regulation ^[4] | - | - | 3,092 | 3,092 | 3,092 | \$ 0.12 |
| One-time carve-out allocations and other one-time costs ^[5] | - | 31,794 | 8,365 | 40,159 | 40,159 | \$ 1.54 |
| Intangible asset amortization | - | - | 21,178 | 21,178 | 21,178 | \$ 0.81 |
| Related party | (977) | 742 | 110 | (125) | (125) | \$ - |
| One-time share-based compensation expense ^[6] | - | - | - | - | - | \$ - |
| Tax effect of above adjustments | - | - | - | - | (29,117) | \$ (1.12) |
| Favorable Puerto Rico tax ruling ^[7] | - | - | - | - | - | \$ - |
| Adjusted | \$ 260,596 | \$ (93,378) | \$ (152,117) | \$ 15,101 | \$ (9,371) | \$ (0.36) |

[1] Reflects certain items captured in the GAAP carve-out financial statements that have not continued post-spin, including, but not limited to, facilities that did not convey with ZimVie in the spin, redundant personnel costs incurred as a result of the spin, and the difference between the pre-spin allocations of Zimmer Biomet's corporate costs in accordance with GAAP, versus the expected post-spin corporate costs for ZimVie..

[2] In June 2022 and November 2022, we instituted restructuring plans and the expenses incurred in the three and twelve months ended December 31, 2022 under these plans were primarily related to employee termination benefits and the exit of our spine products operations in China as a result of an unsuccessful volume-based procurement program bid. Zimmer Biomet instituted restructuring plans in the fourth quarters of 2019 and 2021, and the restructuring costs we incurred under those plans were primarily related to employee termination benefits, contract terminations and retention period compensation and benefits.

[3] Acquisition, integration, divestiture, and related costs are limited to a specific period of time and related to ZimVie being established as a standalone public company.

[4] Expenses incurred for initial compliance with the European Union ("EU") Medical Device Regulation ("MDR") for previously- approved products.

[5] One-time expenses captured through allocations made for purposes of the GAAP carve-out financial statement results. The adjustments to cost of products sold in Q4 2021 were one-time charges due to the spine brand rationalization project. The adjustments to cost of products sold in Q4 2022 were related to non-cash asset write offs from the exit of our Spine products operations in China as a result of an unsuccessful VBP bid.

[6] One-time share-based compensation expense due to replacement awards provided in connection with the separation from Zimmer Biomet.

[7] Tax benefit in Q3 2022 from a favorable Puerto Rico tax ruling related to the intercompany sale of intellectual property prior to the spin..

RECONCILIATION OF ADJUSTED NET INCOME (LOSS) AND ADJUSTED EPS

For the Twelve Months Ended December 31, 2022

(in thousands, except per share data)

| | Net Sales | Cost of products sold, excluding intangible asset amortization | Operating expenses, excluding cost of products sold | Operating Income (Loss) | Net Income (Loss) | Diluted EPS |
|--|------------|--|---|-------------------------|-------------------|-------------|
| Reported | \$ 913,862 | \$ (300,786) | \$ (708,319) | \$ (95,243) | \$ (63,881) | \$ (2.45) |
| Pre vs. post-spin cost structure differences ^[1] | - | - | 5,271 | 5,271 | 5,271 | 0.20 |
| Restructuring ^[2] | - | - | 11,354 | 11,354 | 11,354 | 0.44 |
| Acquisition, integration, divestiture and related ^[3] | - | - | 29,437 | 29,437 | 29,437 | 1.13 |
| European medical device regulation ^[4] | - | - | 10,064 | 10,064 | 10,064 | 0.39 |
| One-time carve-out allocations and other one-time costs ^[5] | - | (164) | 4,890 | 4,726 | 4,726 | 0.18 |
| Intangible asset amortization | - | - | 80,867 | 80,867 | 80,867 | 3.10 |
| Related party | (4,375) | 4,107 | - | (268) | (268) | (0.01) |
| One-time share-based compensation expense ^[6] | - | 1,664 | 12,981 | 14,645 | 14,645 | 0.56 |
| Tax effect of above adjustments | - | - | - | - | (38,639) | (1.48) |
| Favorable Puerto Rico tax ruling ^[7] | - | - | - | - | (5,712) | (0.22) |
| Adjusted | \$ 909,487 | \$ (295,179) | \$ (553,455) | \$ 60,853 | \$ 47,864 | \$ 1.84 |

For the Twelve Months Ended December 31, 2021

| | Net Sales | Cost of products sold, excluding intangible asset amortization | Operating expenses, excluding cost of products sold | Operating Income (Loss) | Net Income (Loss) | Diluted EPS |
|--|--------------|--|---|-------------------------|-------------------|-------------|
| Reported | \$ 1,014,649 | \$ (385,817) | \$ (729,332) | \$ (100,500) | \$ (95,254) | \$ (3.66) |
| Pre vs. post-spin cost structure differences ^[1] | - | - | 7,439 | 7,439 | 7,439 | 0.29 |
| Restructuring ^[2] | - | - | 3,344 | 3,344 | 3,344 | 0.13 |
| Acquisition, integration, divestiture and related ^[3] | - | - | 24,064 | 24,064 | 24,064 | 0.92 |
| European medical device regulation ^[4] | - | - | 5,627 | 5,627 | 5,627 | 0.22 |
| One-time carve-out allocations and other one-time costs ^[5] | - | 37,356 | 15,300 | 52,656 | 52,656 | 2.02 |
| Intangible asset amortization | - | - | 86,219 | 86,219 | 86,219 | 3.31 |
| Related party | (5,819) | 4,248 | 317 | (1,254) | (1,254) | (0.05) |
| One-time share-based compensation expense ^[6] | - | - | - | - | - | - |
| Tax effect of above adjustments | - | - | - | - | (45,806) | (1.76) |
| Favorable Puerto Rico tax ruling ^[7] | - | - | - | - | - | - |
| Adjusted | \$ 1,008,830 | \$ (344,213) | \$ (587,022) | \$ 77,595 | \$ 37,035 | \$ 1.42 |

[1] Reflects certain items captured in the GAAP carve-out financial statements that have not continued post-spin, including, but not limited to, facilities that did not convey with ZimVie in the spin, redundant personnel costs incurred as a result of the spin, and the difference between the pre-spin allocations of Zimmer Biomet's corporate costs in accordance with GAAP, versus the expected post-spin corporate costs for ZimVie.

[2] In June 2022 and November 2022, we instituted restructuring plans and the expenses incurred in the three and twelve months ended December 31, 2022 under these plans were primarily related to employee termination benefits and the exit of our spine products operations in China as a result of an unsuccessful volume-based procurement program bid. Zimmer Biomet instituted restructuring plans in the fourth quarters of 2019 and 2021, and the restructuring costs we incurred under those plans were primarily related to employee termination benefits, contract terminations and retention period compensation and benefits.

[3] Acquisition, integration, divestiture, and related costs are limited to a specific period of time and related to ZimVie being established as a standalone public company.

[4] Expenses incurred for initial compliance with the European Union ("EU") Medical Device Regulation ("MDR") for previously-approved products.

[5] One-time expenses captured through allocations made for purposes of the GAAP carve-out financial statement results. The adjustments to cost of products sold in Q4 2021 were one-time charges due to the spine brand rationalization project. The adjustments to cost of products sold in Q4 2022 were related to non-cash asset write offs from the exit of our Spine products operations in China as a result of an unsuccessful VBP bid.

[6] One-time share-based compensation expense due to replacement awards provided in connection with the separation from Zimmer Biomet.

[7] Tax benefit in Q3 2022 from a favorable Puerto Rico tax ruling related to the intercompany sale of intellectual property prior to the spin.